

**STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
45 Fremont Street, 21st Floor  
San Francisco, California 94105**

January 22, 2003

RH02021588

**FINAL STATEMENT OF REASONS**

**California Code of Regulations, Title 10, Chapter 5, subchapter 4.10, Article 1 through Article 8, section 2670.1 through 2670.27**

**Credit Property Insurance and Credit Unemployment Insurance**

**UPDATE OF INITIAL STATEMENT OF REASONS AND UPDATED INFORMATIVE DIGEST**

On May 8, 2002 a Notice of Proposed Regulatory Action and Notice of Public Hearing, the Initial Statement of Reasons, and the Text of the Proposed Regulation (RH02021588 Credit Property Insurance and Credit Unemployment Insurance) were mailed to all persons who previously requested mailed notice of any proposed regulatory actions. The Department of Insurance held a public hearing on July 12, 2002 and accepted comments on the proposed regulation through that date.

Since that time, the Department of Insurance has reviewed the oral and written comments, which were submitted by the public in response to this proposed regulation. After a detailed review of the public comments, as indicated elsewhere in this rulemaking file, the Commissioner has revised the regulation in response to comments that were received after it was originally proposed to the public. The information in the Informative Digest remains current and does not need to be updated. Government Code section 11346.9, subd. (b). Therefore, because the Initial Statement of Reasons still fully and accurately reflects the views of the Department of Insurance, the Commissioner incorporates by this reference the Initial Statement of Reasons, dated January 22, 2003.

**LOCAL MANDATE DETERMINATION**

The proposed regulation does not impose any mandate on local agencies or school districts.

**ALTERNATIVES DETERMINATION**

The Department of Insurance has determined that no alternative would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation. The regulation is designed to address the rates for credit property insurance and credit unemployment insurance the two lines of insurance cited in Insurance Code Section 779.36 which are subject to rate regulation under Proposition 103. While the Department of Insurance received a number of comments from the public, none of the comments presented a reasonable alternative to the proposed

language. Likewise, the Department of Insurance believes there is no less reasonable alternative. Because no conceivable alternative regulation would be less burdensome the Commissioner proposes this regulation for adoption.

**SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE INITIAL NOTICE PERIOD OF JULY 12, 2002 THROUGH DECEMBER 11, 2002.**

The summary and response to comments are organized and bound directly after this page.